



To: Members of the Human Services Committee

From: Roberta J. Cook, President and CEO

Re: H.B. 6636 An Act Concerning COVID-19 and Enhanced Federal Medicaid Funding

Date: March 25, 2021

Senator Moore, Representative Abercrombie, Senator Berthel, Representative Case and members of the Human Services Committee, thank you for considering my testimony.

My name is Roberta Cook and I'm the President/CEO of BHcare, a Certified Community Behavioral Health Clinic serving more than 3,000 adults, children, and families in the Greater New Haven, Shoreline and Lower Naugatuck Valley area. These individuals are struggling with chronic mental health disorders such as schizophrenia, bipolar disorder and major depression, opioid use disorder, or other substance use disorders. The children we work with are struggling with behavioral disorders, risky behaviors, and substance use disorders. Most of the people we serve rely on Medicaid or a combination of Medicaid/Medicare for their health care.

The American Rescue Plan is expected to bring \$10 billion into Connecticut, with over \$4 billion going directly to state and local governments. Connecticut is set to receive a significant increase in federal matching funds for Medicaid, including a 10% increase for Home and Community Based Services as well as the continuation of the 6.2% increase that began in the Spring of 2020. While nonprofit providers were allocated a portion of the Coronavirus Relief Fund, those funds were spent months ago, and the State has not used the increased federal Medicaid match to increase rates or otherwise compensate providers.

Community nonprofits like BHcare have been on the frontlines of the COVID-19 pandemic. We never closed our doors and have been meeting the needs of the communities we serve despite the risks. COVID-19 brought unanticipated and unbudgeted costs and operational challenges, and for many, like us, Medicaid is our primary payer.

When the pandemic hit, our staff worked around the clock to implement telehealth to ensure we could support our clients through this crisis. We incurred enormous, unplanned expenses to make that happen, but the services we provide are essential and we had a responsibility to assure continued care for all we serve.

We operate residential programs and two domestic violence shelters. One group home is a Medicaid Rehab Option facility. Those services require in-person care which therefore warranted hazard pay, as well as costly cleaning supplies and PPE.

Throughout the pandemic we've experienced a significant loss in revenue because we cannot safely provide our intensive outpatient and outpatient groups at our usual capacity.

Decreased revenue coupled with increased and unplanned expenses isn't sustainable.

The COVID-19 pandemic has had a significant impact on people's mental health. Rates of anxiety and depression in CT are skyrocketing. We need to be here to meet that need.

Medicaid rates have never covered the cost of care, on average our Medicaid reimbursement covers about 50 percent of our cost. Increased Medicaid rates will help reduce that gap and allow us to continue providing services for thousands of adults, children, and families in our community.

As you may know, community nonprofits have **requested that the legislature appropriate \$461 million over the next five years for community nonprofits**. Since 2007, community nonprofits have lost at least \$461 million in state funding that has not kept pace with inflation or adequately covered increased costs and demand for services over the last thirteen years. COVID-19 has only exacerbated those challenges.

Since 2007 our grants for outpatient mental health and substance use services have been reduced by more than \$1 million. We were forced to reduce services, reduce staffing, close programs, discharge clients and increase caseloads.

Because a substantial portion of the \$461 million restoration for community nonprofits will be to provide increased Medicaid rates, the **enhanced FMAP is a one-in-a-lifetime opportunity for the Connecticut General Assembly to address these needs**. This influx of federal funding combined with the state's strong Rainy Day Fund, and more than \$400 million in unexpended Medicaid funds, puts the state in the unique position to use those funds to directly support nonprofit programs and fulfill their needs without complicating the state budget process.

Congress intended for the American Rescue Plan to help Americans across the country get to the other side of COVID-19, and this bill would provide significant support to help community nonprofits emerge from COVID-19 stronger and more ready to meet the needs of our communities.

We urge the Committee to support H.B. 6636.